

**Opening Address**  
**2014 ALGWA NSW Annual Conference**

21-22 March, 2014

Thank you for inviting me here today. It's a pleasure to be delivering the opening address for the Australian Local Government Women's Association's (ALGWA) 2014 NSW Annual Conference.

My name is Felicity-ann Lewis and I am the President of the Australian Local Government Association, or ALGA, as it is more commonly known. ALGA is the federal representative body for the local government sector. It is responsible for advocating the national interests of local government to the Federal Government, Opposition and minority parties.

As the title suggests, my presentation will focus on "Embracing Change and Gender Equity in Local Government". Those who know me well will know that gender equity is an issue that I'm incredibly passionate about. And it's an issue that everyone attending this conference should be passionate about because it affects all of us.

On the surface, it would appear that women are doing extremely well in their chosen professions in Australia. We recently had our first female Prime Minister in Julia Gillard; we have had a female Governor General for the past five years in Quentin Bryce; and the richest person in Australia is also a woman – none other than Gina Reinhardt. But despite this apparent success, Australian women are still under-represented in the workplace.

And that's not all... There is a gender pay gap in Australia of about 17 per cent.

These concerns are reinforced by recent research undertaken by the Diversity Council of Australia, which has found that gender equity measures, including current mentoring practices, are not working. According to the independent Council, gender stereotypes persist and in some cases, women are still used as scapegoats for structural problems in the workplace.

The Diversity Council has found that most current leadership models are based on male stereotypes and need to be redefined. Findings suggest that if we did

nothing, and continued with the current practices that are now in place, it would take about 177 years to reach gender equity in our workplaces. This confirms that unless methods such as career path sponsoring are widely adopted, women will remain under-represented in executive ranks.

Conventional wisdom says that the best leaders have good “cultural fit”, “executive presence”, “gravitas” and need to be “ideal workers” – available 24/7. These stereotypes not only favour men but actively work against women.

Just as importantly, these are also not necessarily the best measures of leadership capability. For example, research shows that introverts can be just as, and sometimes more effective than extroverts, caregivers make better people managers, and women in flexible roles are the most productive employee segment. The research also demonstrates that diverse perspectives add real value – a value lost when “cultural fit” is relied upon.

Despite the evident under-representation of women in professional positions, there is a lot that can be done to turn the statistics around... But as employers, we need to pay attention if we are going to help women leaders to reach the top. The evidence shows that other initiatives – in particular actively sponsoring women into leadership positions, addressing bias at every level, adopting broader definitions of what leadership looks like, and public accountability via reporting on measurable outcomes – will actually deliver results.

These insights support the findings of a broader study on Women in Leadership and Understanding the Gender Gap undertaken in 2013 by the Committee of Economic Development of Australia – better known as CEDA. The research leaves no doubt that inequality in the workplace is still a significant issue in Australia. It has found that numerous barriers to equality of opportunity still exist and has put forward recommendations to address them.

CEDA’s research suggests that not all workplaces operate based on the understanding that those with merit should be rewarded and has found an over-representation of middle-aged men in the top ranks of Australian companies.

Key statistics support the position that the composition of high numbers of men in executive positions is an anomaly and not a reflection of merit. Women now make up 60 per cent of higher education graduates. They have been joining the workforce for decades and make up nearly half of all employees. It is therefore difficult to imagine that there is an absence of sufficient business “merit” in one gender and not the other.

Research findings indicate that efforts to challenge what CEDA has termed the “merit myth” must involve scrutiny of recruitment and promotion criteria and related policies for bias, along with identification of informal norms within organisations. This was the subject of a study by US consulting firm Catalyst, which found that women in particular are excluded from important informal networks in companies and miss out on opportunities for promotion and other forms of talent management such as secondments.

The reliance on traditional notions of leadership and highly subjective practices has played a major role in preventing meritocracies from forming. Unfortunately, reliance on the concept provides yet another excuse for doing nothing. When a management team believes they are giving someone a fair go, there is no motivation to examine or change the way the system operates. The scores of women who cluster below the glass ceiling and are told they work in meritocracy must find it difficult to avoid the conclusion that their gender means that they lack a set of essential skills, regardless of their experience or qualifications.

Time and time again, research shows that the people making crucial appointments are much more likely to select candidates who look and sound like them. This was recently corroborated by a study into US law and consulting firms by Lauren Rivera, from Northwestern University’s School of Management.

After three years of research, Rivera found that “similarity was the most common mechanism employers used to assess applicants at the job interview stage” and that “hirers at these elite firms favour people like themselves”. One law firm partner told her that the company was “looking for cultural compatibility, someone who will fit in”. More than half the 120 people she

interviewed rated the candidates' ability to fit in culturally above analytical thinking and communication skills.

But when it comes to executive skills, women also run up against invisible barriers. According to a 2011 study by Bain and Chief Executive Women, men in senior jobs thought men were twice as good as female executives at problem-solving – a fundamental criterion for management roles. This was not a question of a failure to deliver results – women were seen as just as effective as men in performance terms. But the style they used to go about their work was marked down. This could explain why women experience difficulty in progressing into the top ranks.

Research suggests that merit is a goal and not a reality in most businesses. A fine ideal but apparently we are a long way from being able to accurately describe most Australian workplaces as meritocracies. CEDA's research argues that propping up the myth that merit exists in workplaces acts as an excuse for being complacent and failing to change the system. Furthermore, the research proposes that this so-called "merit myth" acts as a key inhibitor to women trying to climb the ladder by eroding their confidence, sending a strong signal that they are simply not up to senior jobs and depriving them of role models.

Earlier in my presentation, I mentioned a gender pay gap of about 17 per cent. Well, according to CEDA, the pay gap remains at 17.4 per cent on average, and is wider in certain sectors, states and job ranks. While the pay gap is often assumed to develop around career breaks for women having children, it seems other factors are also at play.

The 2012 GradStats report shows that median full-time starting salaries for male graduates are \$55,000 – up from \$52,000 in 2011 – compared to \$50,000 for women – no change from 2011. The current graduate gender pay gap across all occupations is 9.1 per cent.

Graduates are more likely to make up the professional and managerial cohort in organisations, and therefore the main catchment for leadership ranks. Having a pay gap so early in their career sends the wrong message, as it suggests that their efforts are already undervalued compared to their male peers. Far from being exaggerated, there has been a distinct lack of attention

given to such discrepancies and their effect on the gender pay gap further up the career ladder.

Women who have had a career break do of course suffer a penalty to their wages that also compounds over time. But with the gap emerging a year after joining the workforce, many professional women are no doubt already paid less than men before considering the opportunity to have families. This failure to earn at the same level as male peers, even if they do the same work, partly explains why so few women find themselves motivated and encouraged to make it up the ranks.

Even sectors which traditionally employ more women than men are not exempt from the gender pay gap. According to Australian researcher Ian Watson, of the Macquarie University, the gender pay gap among full-time managers in Australia between 2001 and 2007 was around 27 per cent, and the earnings differential cannot be explained by a large range of demographic and labour market variables. In fact, he found as much as 70 per cent of the gap is – and I quote – “simply due to women managers being female”.

The data on the pay gap is robust and consistent. Much of the analysis has found that factors such as lack of transparency and subjectivity about pay scales and bonus payments add to the problem. Research findings suggest that concentration on what is contributing to the gap, plus practical measures such as structured pay audits to identify the scale of differences, are the first steps needed to help redress the situation.

Accompanying the CEDA research, are the results of a survey of more than 600 people in the Australian business community. More than half the respondents, predominantly female, reported that they had been discriminated against on the basis of gender and 93 per cent of respondents agreed that there were barriers to women’s equity in the workplace.

Unconscious bias and backlash have been identified as barriers to equality of opportunity. These barriers prevent meritocratic systems from working efficiently. For women in leadership positions, insufficient career development, promotion pathways and mentoring provision, childcare costs and availability were identified as barriers, rather than lack of competence or interest.

The survey also found that corporate culture conventions, such as the association of leadership with male paradigms and an inflexible nine-to-five work schedule were barriers to gender equity. Societal forces, such as hard-wired gender roles and societal expectations, are also impediments. These include the belief that women do not want a career and the disproportionately high burden of caring work that falls on women, even when they are employed in full-time work.

Respondents to the survey ranked workplace culture, lack of female leaders and gender stereotypes as the most significant barriers, while they also identified the “boys club”, lack of support among women, unconscious bias and lack of confidence as important barriers.

CEDA’s recommendations for addressing these issues fall under three main headings: “Enabling Workplace Meritocracies”, “Changing Workplace Culture” and “Engaging Leaders and Introducing Accountability”.

Firstly, CEDA’s research has found that organisations can help to ensure that workplaces become meritocracies by:

- Raising awareness regarding all areas of unconscious bias and addressing them through unconscious bias programs, including educating employees about gender diversity and the detrimental effects of gender stereotypes;
- Performing structured pay audits to identify potential gender pay gaps;
- Examining recruitment processes and selection criteria, as well as indicators used to assess performance and promotion to ensure that they are not unconsciously and unwittingly biased against women; and
- Offering mentoring programs and networking opportunities to support women’s careers and equip them for leadership roles with a view to level the playing field.

In terms of “Changing Workplace Culture”, CEDA recognises that societal norms, such as traditional gender roles, can affect women’s equality in the

workplace. Research findings suggest that business and government leaders can help to improve women's equality of opportunity through culture by:

- Breaking down stereotypical gender role barriers embedded in workplace culture. For example, by encouraging fathers to take more parental leave to which they are entitled;
- Reassessing the historical way that companies have organised work by exploring alternatives to the nine-to-five work system; and
- Exploring the feasibility of designing workplaces that promote flexible work practices for all employees regardless of gender and family status. Mainstreaming flexibility can help to counter the association of flexible work with "women's work".

Thirdly, in order to better "engage leaders and introduce accountability", CEDA recommends the introduction of gender diversity strategies and policies in the workplace and suggests that the following is needed:

- Clear governance, accountability and leaders committed to dealing with this complex issue; and
- Embedding changes to existing systems and processes through personal responsibility for behaviours and actions, such as adding gender diversity policies to performance indicators.

These insights can certainly be applied to local government, which is also experiencing a gender imbalance in professional positions. Earlier this month, councils and local communities across the country held events to mark International Women's Day, which is recognised each year on 8 March. In my capacity as ALGA President and Mayor of Marion, I took part in celebrations to recognise the contributions of women and acknowledge areas requiring further action to ensure women's equality.

When addressing those gatherings, I took the opportunity to highlight the fact that local government is under-represented by women, both as council members and within senior staffing positions. Nationally, 45 per cent of the local government workforce is women, however only 20 per cent of these women work in a professional position.

In my home state of South Australia, only 24 per cent of senior managers in councils are women and only four councils out of 68 have a female Chief Executive Officer. This is below the national average. Having been involved in local government as both a Councillor and a Mayor for more than 15 years, I can appreciate and relate to research findings that identify the barriers for women moving into executive positions.

National research cited by the Australian Local Government Association's 2010 publication - *Women in Politics: Showing the Way in 2010* - further reinforces common challenges confronting professional women. Across the country, the number of women serving as elected councillors remains at around 27 per cent, while only 20 per cent of senior council managers and five per cent of chief executive officers are women. Clearly, these levels are too low.

As the level of government closest to the community, it is important that councils reflect the communities they serve. The more representative councils are at the elected and senior management levels, the better, and more relevant, will be our decision-making.

As a sector, we need to do more to promote greater participation by women in senior decision-making processes and political life. It is essential that Australians strive to achieve greater participation by women in political life and at all levels of government. I am pleased to say that in local government, councils across the country are committed to this goal and are involved in a range of practical initiatives and approaches with this goal in mind.

We are conscious of research by the Centre for Local Government at the University of Technology, Sydney, which indicates that there is a lower proportion of women working in local government compared to other levels of government. We recognise that local government needs to reflect the full diversity of its population and utilise the skills and energy of everyone in the community.

Local government is a major employer in Australia and as a major employer, we take the recognised gender gap seriously. Local government provides about 178,000 jobs, which is nearly 10 per cent of the public sector. Employees include engineers, health inspectors, building surveyors, youth workers and librarians.

While much has been done over the years to break the glass ceiling, we recognise that there is much more to be done. Major steps that have been

taken in recent decades to address the gender imbalance include the historic decision in 1969 by the Commonwealth Council of Arbitration Commission's to mandate equal pay for equal work. This decision affected 18 per cent of women workers, mostly teachers and nurses. The second federal case, in 1972, established the principal of equal pay for work of equal value and this was extended through all awards, eventually putting an end to separate male and female award rates.

Narrowing the gender professional and pay gap has been a long battle, which continues to the present. Winning the equal pay decision in 1969 and the equal pay for work of equal value in 1972 were landmark victories, and it's worth recalling that both decisions were strongly resisted by many employers.

I must emphasise that our State and Territory Local Government Associations have been working hard in partnership with ALGA to encourage and promote the work of women in local government, and to support and encourage women to participate in local government.

ALGA's national research publication of 2010 highlights a number of recurring themes, and I would like to share these with you. These themes were emphasised in accounts from professional women in politics who were featured in the publication. They suggest that good people who are prepared to stand up and be role models should:

- Keep focused on outcomes and what the community needs
- Recognise organisational and structural barriers
- Find a mentor
- Build coalitions and networks
- Don't compete with female colleagues - collaborate with them
- Focus on smart decisions - not necessarily touch decisions
- Be confident

- Remember, it should be normal to have women and men of all ages and backgrounds in politics
- Keep things in perspective and try to find the right work/life balance
- Have a go – just do it!

I have no doubt that it is only through a better understanding of women's experiences in the workplace that we, as a collective, can influence change and work together to rectify the current inconsistencies between the genders. But we need a research-based approach to encouraging and implementing change, which is why the studies being undertaken by the likes of CEDA and the Diversity Council of Australia are so important.

By achieving a greater understanding of the issues women are facing, we can educate others and work towards implementing practical changes so that women can expect to have the right working environment and the right circumstances in which to reach their full potential.

Thank you for your time. I hope you've enjoyed my presentation.

I would be happy to answer any questions you may have.